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DEPARTMENT OF COMMERCE

International Trade Administration

(A-428-820)

Certain Small Diameter Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Germany: Continuation of Antidumping Duty Order

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: As a result of the determinations by the Department of Commerce (“the Department”) and the U.S. International Trade Commission (“ITC”) that revocation of the antidumping duty order on certain small diameter seamless carbon and alloy steel standard, line, and pressure pipe (“seamless pipe”) from Germany would likely lead to continuation or recurrence of dumping and material injury to an industry in the United States, the Department is publishing a notice of continuation of the antidumping duty order.

EFFECTIVE DATE: September 14, 2012.

FOR FURTHER INFORMATION CONTACT: Ericka Ukrow or Angelica Mendoza, AD/CVD Operations Office 7, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230; telephone: (202) 482-0405 and (202) 482-3019, respectively.

SUPPLEMENTARY INFORMATION:

Background

On August 3, 1995, the Department published the antidumping duty order on seamless pipe from Germany.<sup>1</sup> On April 2, 2012, the Department and the ITC published notices of

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<sup>1</sup> See *Notice of Antidumping Duty Order and Amended Final Determination: Certain Small Diameter Seamless Carbon and Alloy Steel Standard, Line and Pressure Pipe From Germany*, 60 FR 39704 (August 3, 1995).

initiation of their third five-year (“sunset”) review of the antidumping duty order on seamless pipe from Germany.<sup>2</sup>

As a result of this expedited sunset review, the Department determined that revocation of the antidumping duty order on seamless pipe from Germany would likely lead to continuation or recurrence of dumping and, therefore, notified the ITC of the magnitude of the margins of dumping likely to prevail should this order be revoked.<sup>3</sup>

On September 6, 2012, the ITC published its determination in the *Federal Register*, pursuant to section 752(a) of the Tariff Act of 1930, as amended (“the Act”), that revocation of the antidumping duty order on seamless pipe from Germany would likely lead to a continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.<sup>4</sup>

#### Scope of the Order

The scope of the order includes small diameter seamless carbon and alloy standard, line and pressure pipes produced to the ASTM A-335, ASTM A-106, ASTM A-53 and API 5L specifications and meeting the physical parameters described below, regardless of application. The scope of the order also includes all products used in standard, line, or pressure pipe applications and meeting the physical parameters below, regardless of specification.

For purposes of the order, seamless pipes are seamless carbon and alloy (other than stainless) steel pipes, of circular cross-section, not more than 114.3 mm (4.5 inches) in outside

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<sup>2</sup> See *Initiation of Five-Year (“Sunset”) Review*, 77 FR 19643 (April 2, 2012) and *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe From Germany; Institution of a Five-Year Review of the Antidumping Duty Order*, 77 FR 19711 (April 2, 2012).

<sup>3</sup> See *Certain Small Diameter Seamless Carbon and Alloy Standard, Line, and Pressure Pipe From Germany: Final Results of the Expedited Third Sunset Review of the Antidumping Duty Order*, 77 FR 46385 (August 3, 2012) and accompanying Issues and Decision Memorandum.

<sup>4</sup> See *Certain Seamless Carbon and Alloy Steel; Standard, Line, and Pressure Pipe From Germany*, 77 FR 54926 (September 6, 2012), and USITC Publication 4348 (August 2012), titled *Certain Seamless Carbon and Alloy Steel Standard, Line, and Pressure Pipe from Germany (Investigation No. 731-TA-709 (Third Review))*.

diameter, regardless of wall thickness, manufacturing process (hot-finished or cold-drawn), end finish (plain end, beveled end, upset end, threaded, or threaded and coupled), or surface finish. These pipes are commonly known as standard pipe, line pipe or pressure pipe, depending upon the application. They may also be used in structural applications. Pipes produced in non-standard wall thicknesses are commonly referred to as tubes.

The seamless pipes subject to the order are currently classifiable under subheadings 7304.19.10.20, 7304.19.50.20, 7304.31.60.50, 7304.39.00.16, 7304.39.00.20, 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.51.50.05, 7304.51.50.60, 7304.59.60.00, 7304.59.80.10, 7304.59.80.15, 7304.59.80.20, and 7304.59.80.25 of the Harmonized Tariff Schedule of the United States (“HTSUS”).

The following information further defines the scope of the order, which covers pipes meeting the physical parameters described above:

Specifications, Characteristics and Uses: Seamless pressure pipes are intended for the conveyance of water, steam, petrochemicals, chemicals, oil products, natural gas and other liquids and gasses in industrial piping systems. They may carry these substances at elevated pressures and temperatures and may be subject to the application of external heat. Seamless carbon steel pressure pipe meeting the American Society for Testing and Materials (“ASTM”) standard A-106 may be used in temperatures of up to 1000 degrees Fahrenheit, at various American Society of Mechanical Engineers (“ASME”) code stress levels. Alloy pipes made to ASTM standard A-335 must be used if temperatures and stress levels exceed those allowed for A-106 and the ASME codes. Seamless pressure pipes sold in the United States are commonly produced to the ASTM A-106 standard.

Seamless standard pipes are most commonly produced to the ASTM A-53 specification and generally are not intended for high temperature service. They are intended for the low temperature and pressure conveyance of water, steam, natural gas, air and other liquids and gasses in plumbing and heating systems, air conditioning units, automatic sprinkler systems, and other related uses. Standard pipes (depending on type and code) may carry liquids at elevated temperatures but must not exceed relevant ASME code requirements.

Seamless line pipes are intended for the conveyance of oil and natural gas or other fluids in pipe lines. Seamless line pipes are produced to the API 5L specification.

Seamless pipes are commonly produced and certified to meet ASTM A-106, ASTM A-53 and API 5L specifications. Such triple certification of pipes is common because all pipes meeting the stringent A-106 specification necessarily meet the API 5L and ASTM A-53 specifications. Pipes meeting the API 5L specification necessarily meet the ASTM A-53 specification. However, pipes meeting the A-53 or API 5L specifications do not necessarily meet the A-106 specification. To avoid maintaining separate production runs and separate inventories, manufacturers triple certify the pipes. Since distributors sell the vast majority of this product, they can thereby maintain a single inventory to service all customers.

The primary application of ASTM A-106 pressure pipes and triple certified pipes is in pressure piping systems by refineries, petrochemical plants and chemical plants. Other applications are in power generation plants (electrical-fossil fuel or nuclear), and in some oil field uses (on shore and off shore) such as for separator lines, gathering lines and metering runs. A minor application of this product is for use as oil and gas distribution lines for commercial applications. These applications constitute the majority of the market for the subject seamless pipes. However, A-106 pipes may be used in some boiler applications.

The scope of the order includes all seamless pipe meeting the physical parameters described above and produced to one of the specifications listed above, regardless of application, and whether or not also certified to a non-covered specification. Standard, line and pressure applications and the above-listed specifications are defining characteristics of the scope of the order. Therefore, seamless pipes meeting the physical description above, but not produced to the A-335, A-106, A-53, or API 5L standards shall be covered if used in a standard, line or pressure application.

For example, there are certain other ASTM specifications of pipe which, because of overlapping characteristics, could potentially be used in A-106 applications. These specifications generally include A-162, A-192, A-210, A-333, and A-524. When such pipes are used in a standard, line or pressure pipe application, such products are covered by the scope of the order.

Specifically excluded from the order are boiler tubing and mechanical tubing, if such products are not produced to A-335, A-106, A-53 or API 5L specifications and are not used in standard, line or pressure applications. In addition, finished and unfinished oil country tubular goods (“OCTG”) are excluded from the scope of the order, if covered by the scope of another antidumping duty order from the same country. If not covered by such an OCTG order, finished and unfinished OCTG are included in the scope when used in standard, line or pressure applications. Finally, also excluded from the order are redraw hollows for cold-drawing when used in the production of cold-drawn pipe or tube.

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

## Continuation of the Order

As a result of the determinations by the Department and the ITC that revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping and material injury to an industry in the United States, pursuant to section 751(d)(2) of the Act the Department hereby orders the continuation of the antidumping duty order on seamless pipe from Germany.

U.S. Customs and Border Protection will continue to collect antidumping duty cash deposits at the rates in effect at the time of entry for all imports of subject merchandise. The effective date of the continuation of this order will be the date of publication in the *Federal Register* of this notice of continuation. Pursuant to section 751(c)(2) of the Act, the Department intends to initiate the next sunset review of this order not later than 30 days prior to the fifth anniversary of the effective date of continuation.

This sunset review and this notice are in accordance with section 751(c) of the Act and published pursuant to section 777(i)(1) of the Act.

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Paul Piquado  
Assistant Secretary  
for Import Administration

September 7, 2012  
Date

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